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May 6, 2008

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2008 MAY -6 PM 3:29
SC PUBLIC SERVICE
COMMISSION

The Honorable Charles Terreni
Chief Clerk/Administrator
South Carolina Public Service Commission
Post Office Drawer 11649
Columbia, South Carolina 29211

RE: Approval of Amendment to Contract for Electric Service between South Carolina Electric & Gas Company and Owen Electric Steel of South Carolina d/b/a CMC Steel f/k/a SMI Steel
Docket No. 1997-294-E

Dear Mr. Terreni:

South Carolina Electric & Gas Company ("Company" or "SCE&G") hereby files and seeks approval of an Amendment to the Contract for Electric Service ("Amendment") between the Company and Owen Electric Steel of South Carolina d/b/a/ CMC Steel f/k/a/ SMI Steel ("CMC Steel"). The contract was approved by the Commission in Order No. 97-696, dated August 12, 1997, and Order No. 97-825, dated September 24, 1997, in Docket 97-294-E. A previous amendment to the contract was approved by the Commission in Order No. 2005-345, dated June 20, 2005.

Under this contract SCE&G serves CMC Steel's plant containing its arc furnace located in Cayce, South Carolina. The contract is an Interruptible Service Agreement at a delivery voltage of 230kV. Due to the commercial sensitivity and proprietary nature of certain provisions of this Amendment as well as the highly competitive nature of the steel industry, SCE&G respectfully requests that the Commission find that the Amendment contains protected information and issue a protective order barring the disclosure of this agreement under the Freedom of Information Act, S.C. Code Ann. §§ 30-4-10 *et seq.*, S.C. Code Ann. Regs. 103-804(S)(1), or any other provision of law, except in redacted form. Pursuant to 26 S.C. Code Regs. 103-804(S)(2), the determination of whether a document may be exempt from disclosure is within the Commission's discretion and such a finding would be consistent with the Commission's previous holding in Order No. 97-825 wherein the contract was afforded confidential treatment.

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To this end, and in accordance with Commission Order No. 2005-226, dated May 6, 2005, in Docket No. 2005-83-A, we enclose with this letter a redacted version of the Amendment that protects from disclosure the sensitive, proprietary and commercially valuable information, while making available for public viewing non-protected information. We also enclose a copy of the unredacted Amendment and respectfully request that, in the event that anyone should seek disclosure of this unredacted Amendment, the Commission notify SCE&G of such request and provide it with an opportunity to obtain an order from this Commission or a court of competent jurisdiction protecting the Amendment from disclosure.

Enclosed are the following:

- (1) A true and correct copy of the original Amendment in a sealed envelope marked "CONFIDENTIAL." Each page of the Amendment is also marked "CONFIDENTIAL."
- (2) Ten copies of a redacted copy of the Amendment for filing and public disclosure.

By copy of this letter, we are providing the South Carolina Office of Regulatory Staff ("ORS") with a redacted copy of the Amendment for its records. Additionally, SCE&G will make the original, unredacted copy of the Amendment available for ORS's review.

The Company further requests that the unredacted (sealed) Amendment be returned to the Company subsequent to the Commission's consideration. The Company prefers that the Commission or its staff not make any copies of the unredacted Amendment. However, should any copies of the unredacted Amendment be made, we respectfully request that the Commission provide certification either that all such copies have been destroyed or that all copies have been returned to SCE&G.

Thank you for your assistance and consideration of this matter. If you have any questions, please do not hesitate to call me at your convenience. With best regards, I am,

Respectfully,

WILLOUGHBY & HOEFER, P.A.


Mitchell Willoughby

enclosure

cc: Nanette S. Edwards, Esquire (w/redacted copy as enclosure)
Damon E. Xenopoulos, Esquire (w/redacted copy as enclosure)
Counsel for CMC Steel
Catherine D. Taylor, Esquire (w/ redacted copy as enclosure)
K. Chad Burgess, Esquire (w/ redacted copy as enclosure)

THIRD AMENDMENT TO CONTRACT FOR ELECTRIC SERVICE

WHEREAS, South Carolina Electric & Gas Company, (hereafter called "Company") and SMI Steel - South Carolina, (hereafter called "Customer") have entered into a Contract (contract number - E970137) dated June 1, 1997 ("Contract"), Amendment to Contract for Electric Service, dated May 1, 2002 ("First Amendment"), and Amendment to Contract for Electric Service, dated May 2, 2005 ("Second Amendment") and,

WHEREAS, Company and Customer now desire to further amend said Contract for Electric Service in certain particulars:

NOW, therefore, for and in consideration of the mutual covenants herein contained, the parties hereto agree:

1. Amend the Contract and subsequent amendments to substitute Owen Electric Steel of South Carolina D/B/A CMC Steel South Carolina for SMI Steel - South Carolina for the purposes of reflecting a name change.
2. Section 1)d)ii)(1) of the Contract shall be deleted and replaced with the following Section:
 - (1) For certain hours during the year, Company shall have the right to declare those hours under Block Pricing listed below:

Block	Price (\$/kWh)	Minimum Hours
A		
B		

3. Section 1)d)ii)(2) of the Contract shall be deleted and replaced with the following Section:
 - (1) The annual limit of Block hour pricing is
4. Section 1)d)ii)(9) shall be deleted and replaced with the following Section:
 - (1) The Minimum Hours for Block A cannot be transferred to another block within the same year.
5. This Third Amendment along with the predecessor agreements listed above shall remain in effect until December 31, 2011 or the date South Carolina Electric & Gas Company implements newly approved rates following its next non-fuel rate action before the South Carolina Public Service Commission, whichever occurs later. (Docket 2007-229-E shall not be considered to be South Carolina Electric & Gas Company's next non-fuel rate action before the South Carolina Public Service Commission.).

Except as noted herein, all other provisions of the Contract dated June 1, 1997, Amendment of Contract for Electric Service dated May 1, 2002, and Amendment to Contract for Electric Service, dated May 2, 2005 shall remain in full force and effect and this Third Amendment shall be attached to and by this reference incorporated into the said Contract and made a part of the agreement of the parties for electric service.

Company and Customer hereby agree to keep the terms of this Contract confidential. The Customer agrees to support the Company in its request to the SC Public Service Commission to file this Contract under seal. This Contract is subject to the approval of the Commission, and any and all provisions herein are subject to change by orders of the Commission.

[SIGNATURES ON FOLLOWING PAGE]

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In Witness whereof, the parties hereto have duly executed this Third Amendment to Contract for electric service this 9th day of OCTOBER, 2007.

[SIGNATURES ON FOLLOWING PAGE]

South Carolina Electric & Gas Company

Witness:

William S. Hanzlik

By:

Thomas E. Hanzlik

Print: Thomas E. Hanzlik

Its: Manager – Large Customer Group

Owen Electric Steel of South Carolina

Witness:

Sharon Hanzlik

By:

Dennis Malatek

Print: Dennis Malatek

Its: Vice-President/General Manager

